

Senate Bill 134

Public Interest Attorney Loan Repayment Program

(as amended 6/24/15)

SUMMARY

SB 134 allows for unclaimed property in lawyer trust accounts to be used towards the Public Interest Attorney Loan Repayment program. The Loan Repayment program will promote access to legal services in areas of public interest, by providing loan assistance to attorneys who practice in these underserved areas of law.

ISSUE

According to the American Bar Association, the average debt of a 2012 law school graduate was approximately \$85,000 when graduating from a public school and \$122,000 from a private school. This level of debt makes it difficult for attorneys who are interested in public service, to pay off their debt.

There is little incentive to work in public interest areas of law since the pay, on average, is substantially lower than private practice. Public legal service offices, such as child support agencies, have found it increasingly difficult to retain attorneys. Therefore, the clientele of such legal offices are deprived of an acceptable level of service. It is in the interest of the State to ensure that all Californians have access to quality legal services and have equal access to justice.

SB 134 (HERTZBERG)

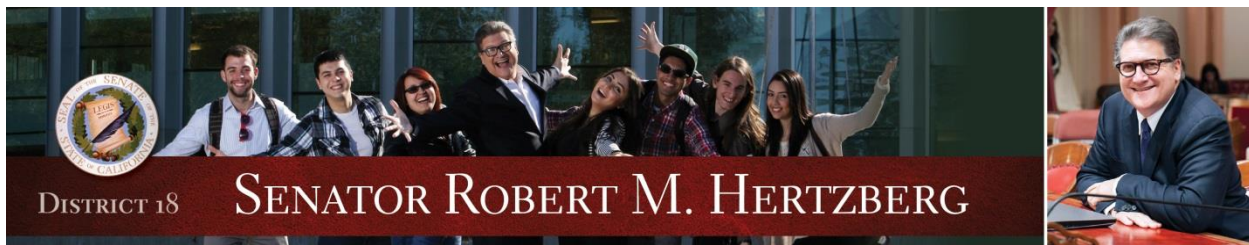
This bill will fund the Public Interest Attorney Loan Repayment program with escheated unclaimed lawyer trust accounts. While individuals have an indefinite right to claim their property, the property is transferred to the State General Fund after a general 3-year hold period.

The Student Aid Commission (SAC) is designated to administer the loan program, which will include establishing participant eligibility criteria and selecting participants. Participants are eligible for a maximum of eleven thousand dollars (\$11,000) in four years of service.

For the purposes of this bill, providing direct legal service in public interest areas of law includes service at a (1) legal services organization that serves a clientele over 70 percent of whom are low-income persons according to applicable federal income guidelines, (2) prosecuting attorney's office, (3) child support agency office, or (4) public defender's office.

In 2009 Oregon passed SB 687, which allocated unclaimed property of lawyer trust accounts for use in legal aid services. Since 2010, Oregon's Legal Services Program has collected over \$450,000. While we do not have an exact amount that is currently in this pool, we estimate that CA will have more funds available considering Oregon only has a fraction of the lawyers CA has.

CO-AUTHORS & SUPPORT (over)



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CA State Conference of the NAACP

CA Student Aid Commission

Los Angeles District Attorney's Office

Mexican American Legal Defense and Educational Fund

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